

Millennium Challenge Corporation

Reducing Poverty Through Growth



COUNTRY : MALI
STATUS : DUE DILIGENCE

LAST UPDATE : AUGUST 2006

GENERAL INFORMATION

Population	13,124,015*
GNI Per Capita	\$380*
Location	Western Africa, southwest of Algeria
Proposed Compact Amount	\$460.8 million

PROPOSED COMPACT GOALS

The Program aims to reduce rural poverty and help achieve national food security through a sustainable increase in the economic performance of the agricultural sector. The Mali Program also intends to spur economic growth and reduce poverty by increasing the competitiveness of light industry and increasing the value-added of exports and tourism. The Program objectives will be met through investments aimed to increase farmers' incomes, enhance agricultural supply chains, reduce transport costs and create a platform for industrial production.

The Program's three Projects:

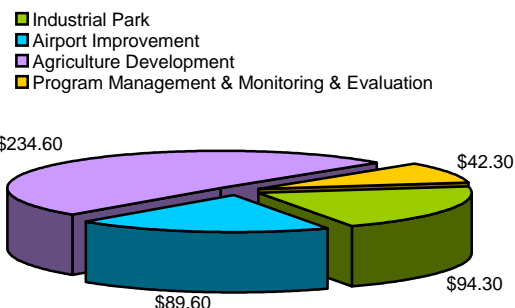
- Expansion of large-scale irrigated agriculture in the Alatona zone of the Office du Niger: Interventions proposed in this Project will focus on increased agricultural productivity, crop diversification, improved road infrastructure, access to credit and secure property rights for farmers.
- Renovation and modernization of the Bamako-Sénou Airport: Interventions proposed in this Project are designed to increase cargo and passenger capacity and improve efficiency and safety
- Development of an Industrial Park in the Bamako-Sénou Airport domain: Interventions proposed in this Project are designed to establish Mali's first adequately serviced industrial park.

COMPACT PROCESS

COMPACT PROCESS		DATE
Eligibility Notification	<input checked="" type="checkbox"/>	May 6, 2004
Proposal Receipt	<input checked="" type="checkbox"/>	February 20, 2005
Opportunity Memo	<input checked="" type="checkbox"/>	July 7, 2005
Congressional Notification on Compact Negotiations	<input checked="" type="checkbox"/>	July 27, 2006
Investment Memo	<input checked="" type="checkbox"/>	August 31, 2006
Board Approval		
Compact Signing		
Entry into Force		
Initial Disbursement		

PROPOSED KEY SECTORS

(IN MILLIONS)



UPDATE ON PROGRESS

July 2005 – November 2005

- MCC's Investment Committee approved the Opportunity Memo, recognizing an opportunity for growth through MCC interventions, and marking the beginning of due diligence in Mali. The transaction team completes due-diligence missions on agriculture, fiscal accountability, infrastructure (road, irrigation, airport, industrial park), land tenure and micro-finance.
- Prime Minister Ousmane Issoufi Maiga visited the MCC.
- The MCC transaction team presented a due diligence status update to the Investment Committee.

December 2005 – present

- MCC signed a grant agreement with the Government of Mali to provide up to \$9.7 million to support Compact development. The grant agreement finances pre-feasibility, feasibility, and poverty impact studies for the proposed projects.
- In June 2006, the MCC transaction team completed interim reviews of the pre-feasibility studies for the Airport and Airport Industrial Park and the Alatona projects. In July and August, MCC received draft pre-feasibility studies from contractors.
- On July 28, 2006 the transaction team notified Congress of its intent to negotiate with the Government of Mali. On August 14, the 15-day notification period expired with no holds, allowing MCC to enter into formal negotiations with the Government of Mali.
- MCC's Investment Committee approved the Mali Investment Memo on August 31, 2006, authorizing MCC to complete negotiations over the text and terms of the Compact documents, including the governance structure for the accountable entity, MCA-Mali.

* "World Development Indicators", World Bank, 2005